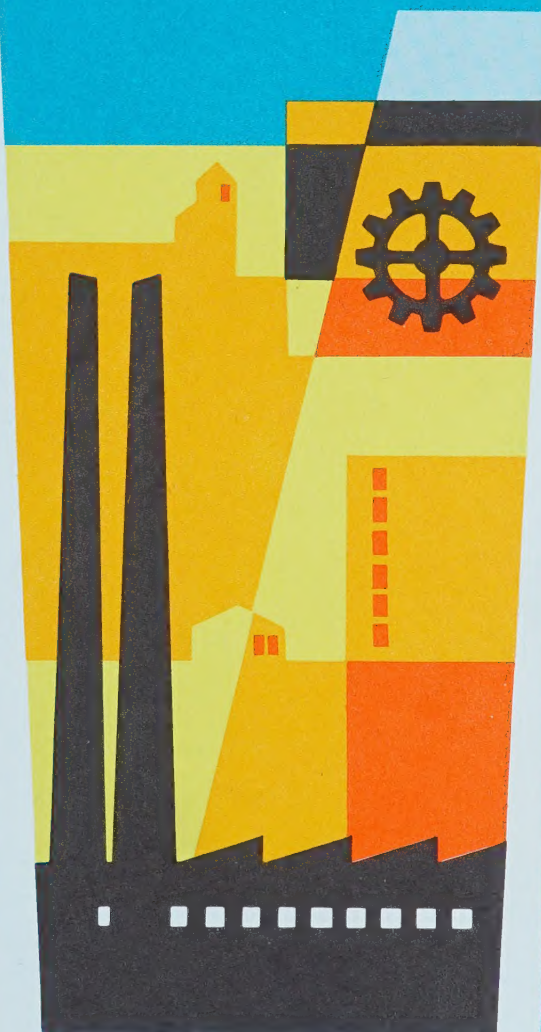


AR49

SAVINGS AND
INVESTMENT
CORPORATION
MUTUAL FUND
OF CANADA LTD



ANNUAL REPORT
1966

**SAVINGS AND INVESTMENT
CORPORATION MUTUAL FUND OF CANADA LTD.**

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)



MUTUAL FUNDS — VS — STOCK MARKET

One cannot but be impressed by the ability of Canadian mutual funds to maintain their growth despite an unfavourable market climate. The Canadian stock market, as measured by the Toronto Stock Exchange industrial average, reached its historical high of 178.32 in May 1965. Since then, persistent reactions have brought it down to the actual level of 146.7, a decline of 17.7%. During the same period, the total assets of the members of the Canadian Mutual Funds Association have increased by 20% from \$1.5 billion to \$1.8 billion.

Such an expansion, during a period of market decline, gives evidence to the confidence that the investor has in the investment formula offered by a mutual fund. The typical mutual fund investor takes the long-range viewpoint and carries out his investment program undeterred by the inevitable ups and downs of the economy and of the stock market. In the past, this policy has been most rewarding.



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Board of Directors

J. P. TARDIF, M.S.C.	President
P. CÔTÉ, A.D.B.A.	1st Vice President
FRANK SPÉNARD	2nd Vice President
A. VERGE, C.R.	Secretary

Directors

L.F. MARTEL
A. NOREAU
B. E. LECLERC
L. TARDIF
L. P. GINGRAS
H. BÉŦQUE, Eng.
J. P. GUIMONT, C.G.A.
MAURICE SAMSON, C.A.

Bankers

PROVINCIAL BANK OF CANADA
CANADIAN IMPERIAL BANK OF COMMERCE

Depository

SAVINGS AND INVESTMENT TRUST CO.

Auditors

McDONALD, CURRIE & CO.
ROBERT LEBŦEUF, C.A.

1966 HIGHLIGHTS

(year ended August 31st)

Despite a weak market environment, your company has continued its progress during the fiscal year. The number of shareholders has increased from 17,483 to 22,863 and the outstanding shares from 4,459,559 to 5,387,563. With these new shareholders, total net assets have registered a 9.7% advance from \$32. millions to \$35.1 millions.

While the industrial averages in New-York and Toronto have respectively dropped by 11.7% (893.1 to 788.4) and 11% (164.8 to 146.7) during this fiscal year, the net asset value of your shares weakened by 9.2% (\$7.18 to \$6.52). This comparatively favourable performance reflects your administrators cautious investment policy.

PERFORMANCE RECORD

as at August 31st 1966

	TOTAL NET ASSETS	NET ASSETS PER SHARE	DIVIDENDS PER SHARE	PRICE TO THE HIGH	PUBLIC LOW
1966	\$35,118,204.	6.52	0.24	8.20	7.05
1965	31,996,535.	7.17	0.22	8.42	7.62
1964	22,491,683.	7.03	0.21	7.78	6.72
1963	16,675,486.	6.14	0.20	6.47	5.86
1962	12,032,488.	5.66	0.19	6.98	5.81
1961	7,655,731.	5.94	0.20	6.52	5.32
1960	4,554,971.	4.97	0.18	5.82	5.21
1959	3,312,444.	5.37	0.19½	6.14	5.66
1958	1,087,102.	5.15	0.17½	5.64	4.91
1957	332,100.	4.86	0.04	5.67	4.49

PRESIDENT'S REPORT TO THE SHAREHOLDERS



*J.-Paul Tardif, M.S.C.
President*

On behalf of your board of directors, I take pleasure in submitting to you the tenth annual report of your company's operations for the fiscal year ended August 31st, 1966.

YEAR OF CONSOLIDATION:

During the period under review, North American security markets have strikingly demonstrated their fundamental characteristic of being an indicator which reflects not so much the current economic environment but rather the psychology of the investor who scrutinizes the future and acts in anticipation of what he foresees. While the economy was maintaining its prosperity

at a high level of activity, American and Canadian stock markets have had to suffer, in general, a severe attrition which accelerated during the months of July and August without, however, creating at any time panic among investors.

In New York, while the decline of the Dow-Jones Industrial average, during our last fiscal year, has been in the order of 11.7% (893.1 to 788.4), it reached 20.8% since its historical high of 995.15 attained in February 1966. In Canada, the representative Toronto industrial average closed at 146.7 on August 31st, a drop of 11% for the year, and of 17.8% since its all-time high 178.32 in May 1965.

Tightening credit and substantially higher interest rates have been the factors which have dominated the orientation of our financial markets. They have resulted from our governments' restrictive monetary policies aimed at curtailing the current dangerous inflationary pressures.

The other factors which have proved to be disquieting to the investor have been the escalation of the Vietnam war, the diminishing international monetary liquidity, the repercussions of Great Britain's austerity program, labor and social conflicts, and the fear that, in many industries, salary increases will exceed gains in productivity. But, fundamentally, the investor has been appraising the future performance of our companies' profit margins as they face temporarily weaker industrial and consumer demand, and an increase in production costs due principally to much higher wages. With such an uncertain immediate outlook, his cautiousness should not come as a surprise.

OUR EVOLUTION:

As can be expected, the behaviour of our security markets has depressed the net asset

value of your shares which has weakened from \$7.17 to \$6.52, or 9.2%. However, adding back the four quarterly dividends totalling \$0.24 per share paid during the year, the highest amount ever distributed, the net annual loss is reduced to 5.9% (\$7.17 to \$6.76). In a period of sharp market disturbances, this relatively moderate decline demonstrates the resistance of a mutual fund to rude shocks while, at the same time, giving a reasonable protection to invested capital.

Despite this unfavorable market climate, your company has maintained its growth, the number of shareholders having increased from 17,483 to 22,863, outstanding shares from 4,459,559 to 5,387,618, and net total assets from \$31,996,535. to \$35,118,204. This expansion is all the more encouraging to your administrators as it emphasizes the fact that the typical mutual fund investor conceives his investment in the light of a long-term program and is undeterred by the inevitable fluctuations of the economy and of the stock market.

On page eight of this report, a chart vindicates such an investment concept. It illustrates the performance and yield of a \$10,000. investment entrusted to your company in February 1957, and takes into consideration the acquisition fees and the re-invested dividends (94.5% of the dividends received are reinvested). You will note with interest the steady long-term progression of such an investment despite periodic consolidations.

While maintaining a cautious investment policy and a strong reserve buying power, your administrators have completed a number of changes in your portfolio to make it as dynamic as possible during the next recovery phase. Furthermore, we have increased our participation in American securities related to industries not represented in Canada but offering outstanding appreciation possibilities. Your management has also taken advantage of market opportunities

during the year to realize \$615,410. in capital profits, such profits adding up to \$2,485,414. since 1957.

OUTLOOK:

It is not the responsibility of your management to predict the amplitude of market fluctuations. Its main concern must be the elaboration and execution of a medium to long-term investment program based on sound principles. Nevertheless, we believe that the current market correction has discounted the majority of the monetary, economic and psychological factors leading to it. We are also of opinion that, our last two years' rate of growth having become unsustainable, a "pause" is necessary to enable our economy to catch its breath after its remarkable expansion of the last four years. This pause will lead to a slowdown in the hectic demand for credit, one of the main factors now responsible for the present inflationary pressures and our government's restrictive monetary policies to contain them. Interest rates will then have hit their peaks,— as a result, when the investor realizes this, he will certainly react with more confidence, knowing, by experience, that a fundamental recovery phase traditionally follows quite closely a trend to lower interest rates.

Despite the inconveniences and sacrifices which may result, the current period of economic moderation will, in the near future, enable our economy to resume its expansion at a better balanced and more sustainable rate.

The economic and monetary factors which are now causing the present reaction will, therefore, soon be replaced by the secular forces which have always stimulated our growth, i.e. the population increase especially in the family

formation ages (20 to 35 years), the constantly improving standard of living accompanying the increase in after-tax disposable income, the spreading Welfare State, the continuous stimulation of the economy by governments, and the rapid technological evolution which, while promoting the introduction of new products and the establishment of new industries, gradually increases labor's productivity and thereby justifies the latter's improving well-being.

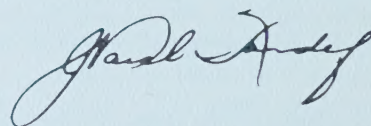
Finally, in an economic, political and social environment which entails the persistent and irreversible deterioration of the dollar's purchasing power, the investor will continue to favor investment in carefully selected common stocks which, in the past, gave concrete evidence of their ability, in the long-term, to protect capital against inflation.

Meanwhile, the markets' decline offers the investor an excellent opportunity to invest at very attractive prices. Experience and simple logic support such an attitude even when, psychologically, it appears difficult to adopt, and goes against the natural instinct to become ultra-conservative in times of economic stress. Such a reaction also favors those who pursue periodic investment and reinvestment programs, since they obtain a larger number of shares for equal amounts of dollars.

APPRECIATION:

In conclusion, I would like to express to you our sincere gratitude for your continued support which has been a source of great encouragement to your management. Furthermore, on behalf of your board of directors and in your name, I wish to extend our heartfelt appreciation to our employees and representatives who, by their devotedness, their loyalty and their work have

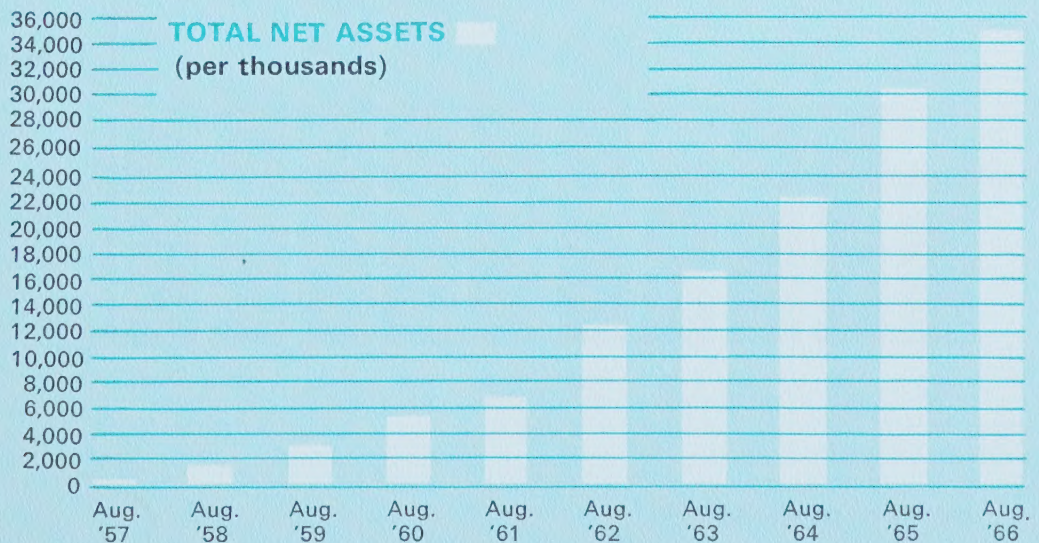
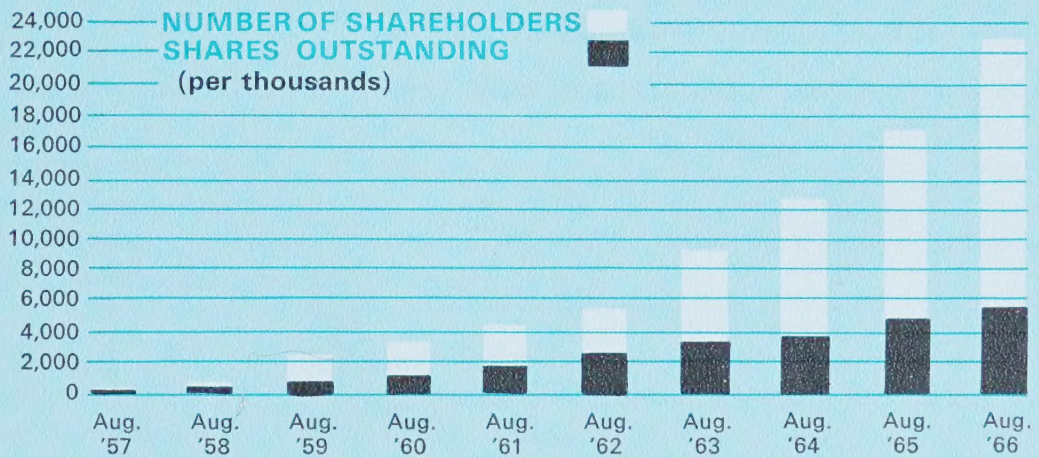
contributed so much to the development of our company and the improvement of the services offered to you.



Président.

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

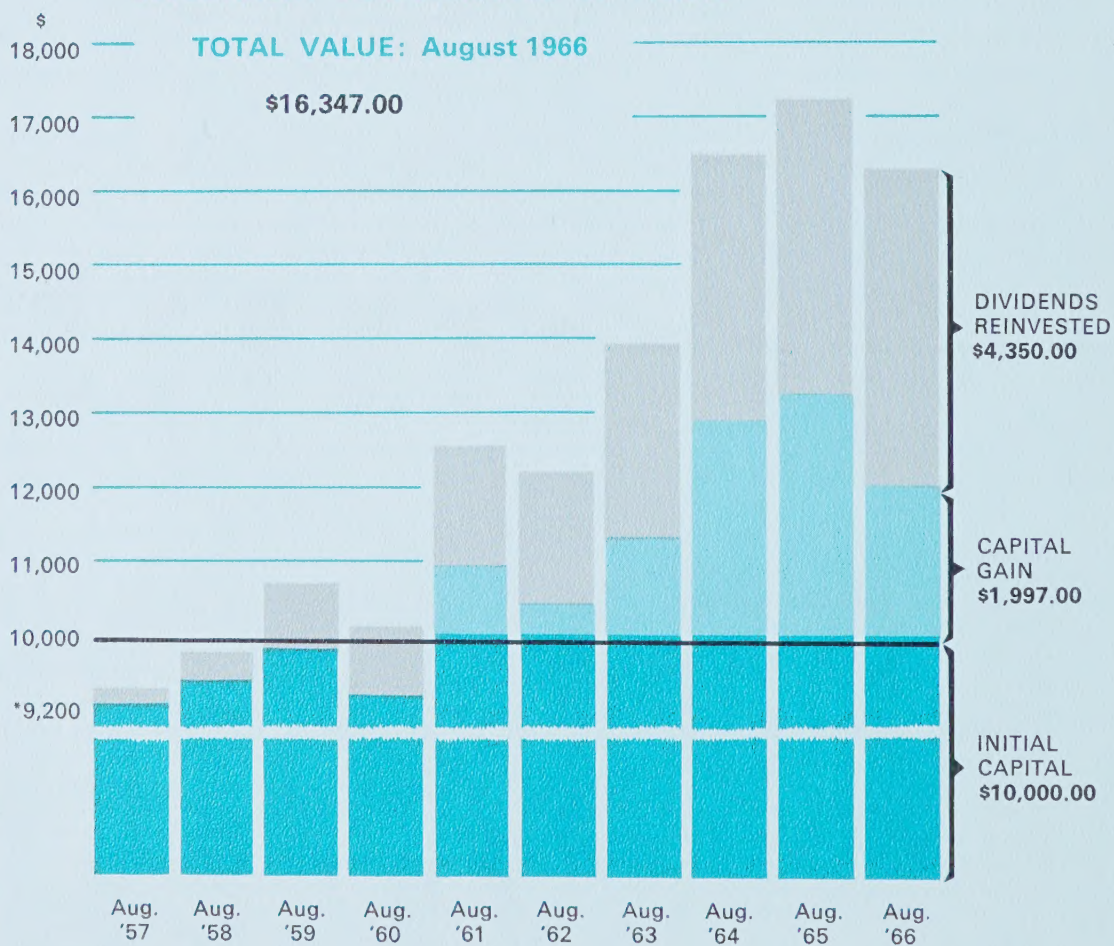
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SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

INVESTMENT PERFORMANCE OF \$10,000



*Acquisition cost 8% deducted

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Savings and Investment Corporation Mutual Fund of Canada Ltd. (Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée) as at August 31, 1966 and the statements of income and expenditure, unrealized appreciation (depreciation) of investments, premium on shares and surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of income and expenditure, unrealized appreciation (depreciation) of investments, premium on shares and surplus present fairly the financial position of the company as at August 31, 1966 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.
ROBERT LEBOEUF

Chartered Accountants

QUEBEC, September 8, 1966.



BALANCE SHEET AS AT AUGUST 31, 1966

ASSETS

INVESTMENTS — at market value :

	1966	1965
	\$	\$
Bonds and secured notes	4,999,650	6,629,800
Preferred stocks	2,283,900	419,400
Common stocks		
— Canadian companies	24,257,850	22,821,650
— United States companies	2,960,650	1,389,675
	<u>34,502,050</u>	<u>31,260,525</u>

NOTE: The average cost of investments as at August 31, 1966 was \$36,366,322 (1965 — \$28,989,080)

CURRENT ASSETS

Cash	475,487	731,708
Due by brokers and others	16,595	2,500
Interest accrued and dividends receivable	170,361	123,614
	<u>662,443</u>	<u>857,822</u>

SIGNED ON BEHALF OF THE BOARD

J. P. TARDIF, Director
L. F. MARTEL, Director

35,164,493

32,118,347

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

LIABILITIES

CURRENT LIABILITIES:

	1966 \$	1965 \$
Accounts payable and accrued charges	36,187	55,049
Due to a broker	—	57,486
Income taxes	10,102	9,277
	<u>46,289</u>	<u>121,812</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Common shares —

Authorized, issued and fully paid:

1,000 shares of a par value of \$1 each 1,000 1,000

Special shares of a par value of \$1 each
(Redeemable on demand by the holders at asset
value) —

	Shares 1966	Shares 1965
Authorized	10,000,000	10,000,000
Redeemed	1,630,343	1,196,354
	<u>8,369,657</u>	<u>8,803,646</u>

Outstanding:

Issued and fully

paid 5,386,618 4,458,559 5,386,618 4,458,559

(The shares issued during the year were paid in
cash)

PREMIUM RECEIVED ON SHARES ISSUED, LESS PREMIUM PAID ON SHARES REDEEMED

29,109,444 23,375,122

EARNED SURPLUS

2,485,414 1,890,409

UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

(1,864,272) 2,271,445

35,118,204 31,996,535

35,164,493 32,118,347

Net asset value per share \$6.52 \$7.17

**SAVINGS AND INVESTMENT
CORPORATION MUTUAL FUND OF CANADA LTD.**

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

**STATEMENT OF INCOME AND EXPENDITURE
for the year ended August 31, 1966**

INCOME:	1966	1965
	\$	\$
Dividends	1,071,871	782,979
Interest	328,779	217,363
	<u>1,400,650</u>	<u>1,000,342</u>
 EXPENDITURE:		
Management fees	181,836	143,444
Custodian fees	9,752	7,046
Directors' fees	5,250	4,550
Legal fees	580	1,097
Audit fees	2,200	2,000
Stationery and printing	10,913	10,595
Corporation taxes	1,550	1,550
Insurance	—	3,045
Bank charges	1,502	1,792
Miscellaneous	5,226	2,980
	<u>218,809</u>	<u>178,099</u>
 INCOME FROM INVESTMENTS BEFORE PROVISION FOR TAXES ON INCOME	1,181,841	822,243
 PROVISION FOR TAXES ON INCOME	<u>38,359</u>	<u>24,861</u>
 NET INCOME FROM INVESTMENTS FOR THE YEAR		
(excluding profit realized on sale of investments) . .	<u>1,143,482</u>	<u>797,382</u>

**SAVINGS AND INVESTMENT
CORPORATION MUTUAL FUND OF CANADA LTD**

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

**STATEMENT OF SURPLUS
for the year ended August 31, 1966**

	1966 \$	1965 \$
BALANCE AVAILABLE FOR DISTRIBUTION — BEGINNING OF YEAR.....	1,890,409	1,409,663
Add:		
Portion of premium received on sale of special shares, transferred to surplus to equalize the amount per share available for dividend.....	49,963	53,279
Less:		
Corresponding portion of premium paid on redemp- tion of special shares.....	(15,546)	(7,522)
Profit realized on sale of investments.....	615,410	486,672
Net income from investments for the year.....	1,143,482	797,382
	<u>3,683,718</u>	<u>2,739,474</u>
Deduct:		
Dividends paid — (24c per share in 1966 and 22c per share in 1965)	<u>1,198,304</u>	<u>849,065</u>
BALANCE AVAILABLE FOR DISTRIBUTION — END OF YEAR.....	<u>2,485,414</u>	<u>1,890,409</u>

**SAVINGS AND INVESTMENT
CORPORATION MUTUAL FUND OF CANADA LTD.**

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)



**STATEMENT OF PREMIUM ON SHARES
for the year ended August 31, 1966**

	1966 \$	1965 \$
BALANCE — BEGINNING OF YEAR	23,375,122	15,361,396
Add:		
Proceeds from sale of special shares of the capital stock, less \$1 per share, credited to capital stock — (1,362,048 shares in 1966 and 1,507,268 shares in 1965)	9,052,362	10,370,455
	<u>32,427,484</u>	<u>25,731,851</u>
Deduct:		
Commissions paid on sale of shares	592,587	745,052
Portion of premium received on sale of special shares, transferred to surplus to equalize the amount per share available for dividend	49,963	53,279
Premium paid on redemption of special shares — (433,989 shares in 1966 and 246,686 shares in 1965)	2,675,490	1,558,398
	<u>3,318,040</u>	<u>2,356,729</u>
BALANCE — END OF YEAR	<u>29,109,444</u>	<u>23,375,122</u>

**STATEMENT OF UNREALIZED APPRECIATION
(DEPRECIATION) OF INVESTMENTS
for the year ended August 31, 1966**

	1966 \$	1965 \$
BALANCE — BEGINNING OF YEAR	2,271,445	2,521,647
Decrease for the year	4,135,717	250,202
BALANCE — END OF YEAR	<u>(1,864,272)</u>	<u>2,271,445</u>

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD

(Fonds Mutuel Corporation de Prêt et Revenu du Canada Ltée)

INVESTMENTS AS AT AUGUST 31, 1966

COMMON STOCKS	Number of shares	Market value	Percent of total investments at market value
		\$	%
BANKS			
Bank of Montreal.....	5,000	277,500	.8
The Bank of Nova Scotia.....	4,000	264,000	.8
Banque Canadienne Nationale.....	10,000	562,500	1.6
Canadian Imperial Bank of Commerce.....	7,000	400,750	1.1
The Provincial Bank of Canada.....	3,000	130,500	.4
The Quebec Savings Bank.....	14,000	91,000	.3
The Royal Bank of Canada.....	3,500	240,625	.7
The Toronto-Dominion Bank.....	3,000	167,250	.5
		2,134,125	6.2
BEVERAGES			
Canadian Breweries Limited.....	35,000	236,250	.7
Distillers Corporation-Seagrams Limited.....	30,000	885,000	2.6
		1,121,250	3.3
CHEMICAL AND TEXTILES			
Dominion Corset Company Limited.....	9,000	94,500	.3
DuPont of Canada Limited.....	5,000	200,000	.6
* Olin Mathieson Chemical Corporation.....	2,000	107,550	.3
* Wallace & Tiernan Inc.....	2,000	68,850	.2
		470,900	1.4



COMMON STOCKS

CONSTRUCTION

	Number of shares	Market value \$	Percent of total investments at market value %
Asbestos Corporation Limited	25,000	550,000	1.6
Canada Cement Company, Limited	7,000	271,250	.8
Dominion Bridge Company, Limited	16,000	300,000	.9
		<u>1,121,250</u>	<u>3.3</u>

CONSUMERS GOODS

* Avon Products, Inc.	2,000	172,100	.5
* The Crowell-Collier Publishing Company . . .	3,000	148,450	.4
Denault Limitée — class "A"	25,000	187,500	.5
Imperial Tobacco Company of Canada Limited	25,000	347,000	1.0
Alfred Lambert Inc. — class "A"	7,500	135,000	.4
Lamontagne Limited — class "A"	7,000	94,500	.3
Sobeys Stores Limited — class "A"	10,000	190,000	.6
George Weston Limited — class "A"	25,000	443,750	1.3
Woodward Stores (1947), Limited — class "A"	18,000	436,500	1.3
		<u>2,154,800</u>	<u>6.3</u>

COMMON STOCKS

ELECTRONIC

	Number of shares	Market value \$	Percent of total investments at market value %
* Addressograph-Multigraph Corporation	2,000	124,225	.4
* General Precision Equipment Corporation . . .	2,500	153,950	.5
* International Business Machines Corporation . . .	500	172,375	.5
* Polaroid Corporation	500	80,400	.2
* Raytheon Company	4,000	219,425	.6
* Xerox Corporation	500	95,450	.3
* Zenith Radio Corporation	2,000	142,525	.4
		988,350	2.9

FINANCE

General Investment Corporation of Quebec . .	2,500	15,625	—
Industrial Acceptance Corporation Limited . .	20,000	402,600	1.2
Trans-Canada Corporation Fund	20,000	130,000	.4
		548,225	1.6

MANUFACTURING

* Grumman Aircraft Engineering Corporation . .	3,000	109,725	.3
Massey-Ferguson Limited	45,000	1,226,250	3.6
* Minnesota Mining and Manufacturing Company	1,000	80,675	.2
* United Aircraft Corporation	3,000	225,475	.7
* The White Motor Company	2,000	83,350	.2
		1,725,475	5.0

COMMON STOCKS

METALS

	Number of shares	Market value	Percent of total investments at market value
		\$	%
Alcan Aluminium Limited	40,000	1,190,000	3.4
Craigmont Mines Limited	15,000	191,250	.5
Denison Mines Limited	15,000	815,700	2.4
Falconbridge Nickel Mines Limited	4,000	354,000	1.0
Hudson Bay Mining and Smelting Co., Limited	10,000	710,000	2.1
The International Nickel Company of Canada Limited	15,000	1,280,700	3.7
Noranda Mines Limited	15,000	729,450	2.1
Rio Algom Mines Limited	30,000	682,500	2.0
		<u>5,953,600</u>	<u>17.2</u>

OIL AND GAS

The British American Oil Company Limited .	25,000	715,750	2.1
Canadian Petrofina Limited	25,000	250,000	.7
Imperial Oil Limited	12,000	615,000	1.8
* Mobil Oil Corporation	2,000	85,250	.2
* Sinclair Oil Corporation	3,000	190,375	.6
		<u>1,856,375</u>	<u>5.4</u>

COMMON STOCKS

PUBLIC UTILITIES

	Number of shares	Market value \$	Percent of total investments at market value %
The Bell Telephone Company of Canada . . .	15,000	748,200	2.2
The Consumers' Gas Company	35,000	512,050	1.5
International Utilities Corporation	20,000	520,000	1.5
Northern and Central Gas Company Limited	50,000	556,500	1.6
Quebec-Telephone	6,200	120,150	.3
Union Gas Company of Canada Limited . . .	33,000	338,250	1.0
Westcoast Transmission Company Limited . .	15,000	371,250	1.1
* The Western Union Telegraph Company . . .	3,000	100,025	.3
		3,266,425	9.5

PULP AND PAPER

Consolidated Paper Corporation Limited . . .	5,000	178,750	.5
Domtar Limited	25,000	425,000	1.3
Donohue Brothers Limited	16,800	119,800	.3
Fraser Companies Limited	15,000	322,500	1.0
The Great Lakes Paper Company Limited . . .	17,000	395,250	1.1
MacMillan, Bloedel Limited	25,000	615,750	1.8
		2,057,050	6.0

STEEL

The Algoma Steel Corporation Limited	20,000	520,000	1.5
The Steel Company of Canada Limited	30,000	682,500	1.9
		1,202,500	3.4

COMMON STOCKS

TRANSPORTATION

	Number of shares	Market value	Percent of total investments at market value
		\$	%
The Alberta Gas Trunk Line Company Limited — class "A"	15,000	470,700	1.4
* American Airlines, Inc.	2,000	128,000	.4
Canadian Pacific Railway Company	28,000	1,547,000	4.4
* Emery Air Freight Corporation	2,000	174,800	.5
* The New York Central Railroad Company ..	2,000	124,250	.4
* Seaboard Air Line Railroad Company	2,000	77,975	.2
* Western Air Lines, Inc.	2,000	95,450	.3
		<u>2,618,175</u>	<u>7.6</u>
TOTAL COMMON STOCKS		<u>27,218,500</u>	<u>79.1</u>

PREFERRED STOCKS

Alcan Aluminium Limited — 4¼% cumulative, convertible	10,500	389,850	1.1
Anglo-Canadian Pulp and Paper Mills, Limited — 4½% cumulative, convertible ...	17,950	394,900	1.1
Columbia Cellulose Company, Limited — \$1.20 cumulative, convertible	10,000	220,000	.6
Husky Oil Canada Ltd. — 5¼% cumulative, convertible — series "C"	1,800	95,400	.3
International Utilities Corporation — \$1.32 cumulative, convertible	8,000	224,000	.7
MacMillan, Bloedel Limited — 3% non cumulative	6,250	6,250	—
Quebec Natural Gas Corporation — 5.4% cumulative	2,200	193,600	.5
5½% cumulative	3,000	282,000	.9
Rio Algom Mines Limited — \$5.80 cumulative, series "A"	1,050	102,900	.3
Shell Investments Limited — 5½% cumulative, convertible	15,000	375,000	1.1
TOTAL PREFERRED STOCKS		<u>2,283,900</u>	<u>6.6</u>



BONDS AND SECURED NOTES

BONDS

	Par value	Market value	Percent of total investments at market value
	\$	\$	%
The Government of Canada —			
4¼% — April 1, 1967	800,000	792,800	2.4
5% — October 1, 1973	500,000	467,500	1.3
Hydro-Québec — 6% — February 1, 1991 . . .	500,000	465,000	1.3
Province of Quebec — 5½% — April 1, 1990 .	200,000	174,500	.6
		<u>1,899,800</u>	<u>5.6</u>

SECURED NOTES

Alliance Credit Corporation —			
6½% — on demand	500,000	500,000	1.4
The Bank of Nova Scotia —			
5½% — September 8, 1966	500,000	500,000	1.4
5.8% — September 15, 1966	500,000	500,000	1.4
Banque Canadienne Nationale —			
5.71% — September 8, 1966	500,000	500,000	1.4
5.91% — September 12, 1966	500,000	500,000	1.4
Crédit Foncier Franco Canadien —			
6% — September 6, 1966	500,000	500,000	1.4
Industrial Acceptance Corporation Limited —			
4¼% — September 15, 1966	100,000	99,850	.3
		<u>3,099,850</u>	<u>8.7</u>

**TOTAL BONDS
AND SECURED NOTES**

4,999,650 14.3

TOTAL INVESTMENTS

34,502,050 100.0

* United States companies common shares — valued as follows:

Market value — At the rate of exchange prevailing as at August 31, 1966.

OFFICES AND REGIONS

HEAD OFFICE:

850 D'YOUVILLE SQUARE, QUEBEC, P.Q.

REGIONS

ADDRESSES



ATLANTIC PROVINCES

NOVA SCOTIA

Halifax Shopping Centre, Mezzanine Floor
7001 Mumford Rd., Halifax, N.S.

NEW BRUNSWICK

20 Charlotte St. — Saint John, N.B.

NEWFOUNDLAND

Churchill Park Chambers, Rowan St., St. John's, Nfld.

ONTARIO

TORONTO

696 Yonge St. — Toronto 5

SUDBURY

116 Elm St., East, Suite 403 — Sudbury

LONDON

381 Clarence St. — London

THUNDER BAY

205 Park St., — Port Arthur

OTTAWA

77 Metcalfe St., Suite 801-A — Ottawa 4

KITCHENER

4 Queen St. North - Suite 1 — Kitchener

WINDSOR

500 Ouellette St., Suite 702 — Windsor

QUEBEC

MONTREAL — LAFONTAINE

1290 St-Denis St. Suite 30 — Montreal

MONTREAL — LAVAL

6963 St-Hubert St. — Montreal

MONTREAL — N.-D. G.

235 Côte Vertu Shopping Centre, Ville St-Laurent, P.Q.

MONTREAL — ST-LAURENT

235 Côte Vertu Shopping Centre, Ville St-Laurent, P.Q.

ABITIBI

100 Perreault St. East — Rouyn

DRUMMONDVILLE

414 Lindsay St. — Drummondville

SAGUENAY

Murdock Building, Racine St. — Chicoutimi

QUEBEC

1026 St. John St. — Quebec

QUEBEC — CHAMPLAIN

850 d'Youville Square, Quebec (4)

QUEBEC — LEVIS

850 d'Youville Square, Quebec (4)

QUEBEC — MONTCALM

850 d'Youville Square — Quebec (4)

MONTMORENCY

1815 de la Vérendrye St., Quebec (3), P.Q.

SHERBROOKE

31 King St. West, Suite 415 — Sherbrooke

MANICOUAGAN

20 Desrochers St. — Hauterive

GASPESIA

160 de l'Évêché St., Suite 302 — Rimouski

LAURENTIDES

558 Wilfrid Desjardins St., St-Jérôme, P.Q.

OPPORTUNITY TO INVEST IN CANADA'S FUTURE

DIVERSIFICATION

Rational diversification is the foremost feature of a well-managed portfolio. It is recognized that it is sounder to hold shares in various dependable companies than to concentrate one's capital in the shares of one and the same concern.

With one single investment in SAVINGS AND INVESTMENT MUTUAL (S.I.M.), whether it be \$100,000. or \$300., you become joint owner of shares of the most progressive industrial and commercial concerns in Canada.

PROFESSIONAL SUPERVISION

The first factor to be considered in a mutual fund is the selection of the securities to be purchased; however, this is not the most important. Once the securities have been purchased, a continual expert analysis will determine whether these securities have maintained their full value and if they should be retained in the portfolio. Knowing when to sell is just as important as knowing when to buy. The assets of S.I.M. are invested by its financial experts, who are continually studying and appraising the economy of the country as a whole, the stock and bond market generally, and the potential of certain specific stocks and bonds.

REINVESTMENT OF DIVIDENDS

Many shareholders prefer reinvesting their dividends to increase their capital.

S.I.M. has foreseen this possibility by granting the privilege of reinvestment of one's dividends without commission charges. However, this privilege is optional; if a person so desires, dividends will be paid quarterly, as they are announced.

CONVENIENCE

Your SAVINGS AND INVESTMENT MUTUAL holdings make you joint owner of several major Canadian companies in different fields.

S.I.M. saves you the annoyance of endless and complicated formalities which arise from several investments, such as numerous claims of divi-

dends, the registration of these dividends for Income Tax purposes, supervision of rights and warrants, etc. All these formalities are attended by S.I.M. You are dealing with one single investment, your own with S.I.M.

LIQUIDITY

The SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD. (S.I.M.) shares can be easily redeemed. They may be sold for cash at will, simply by notifying your S.I.M. Head Office. The stock quotations are published every day in the leading newspapers of the country and in all Canadian financial reports and journals. Shares may be redeemed at any time at their asset value without restrictions, charge or penalty.

PROTECTION AGAINST INFLATION

Between 1939 and 1965, inflation reduced the purchasing power of the Canadian dollar by more than 66%. Shareholders of mutual funds are protected from the ill effects of inflation since it is a proven fact that the accelerated tempo of economic activity in such periods will be reflected in the profits of companies and, consequently, in the market quotations for their securities. There is no better way of hedging to protect both capital and income, in time of inflation, than holding selected common stocks.

ASSURANCE OF AN INCOME

Surveys show that all mutual funds operating in Canada and the U.S.A. have without fail made payment of cash dividends since the start of their operations. Obviously, amounts paid have varied and will continue to vary, the general trend having been upwards in periods of inflation and downwards in periods of recession.

INCOME TAX CREDIT

Residents of Canada holding S.I.M. shares can take advantage of the 20% dividend Tax Credit applicable to dividends received from taxable Canadian corporations, i.e., the income tax otherwise payable is reduced by 20% of the dividends received from S.I.M.

SAVINGS AND INVESTMENT GROUP

OVER \$125,000,000 OF ASSETS
UNDER ADMINISTRATION

SAVINGS AND INVESTMENT CORPORATION

Savings and Investment Corporation issues savings certificates guaranteed as to amount and income. By means of periodic and fixed deposits, these certificates enable you to accumulate a capital at the end of a predetermined number of years.

Savings certificates give full effect to methodical or systematic savings with the full security of well established financial institutions. Moreover, they present the advantage of creating a moral obligation to economize and, therefore, a strong and effective inducement to transform an idea into a reality.

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA LTD.

Our mutual fund is a "balanced" fund which offers you the opportunity to participate in an investment portfolio made up of the best Canadian securities, industrial, financial or governmental, and a few of the most progressive companies of the United States in the scientific or technical field.

On account of the great diversity of its investments, Savings and Investment Mutual presents the highest degree of security while providing for an adequate income and a participation in the capital appreciation of the investment portfolio.

The distribution of the special shares of Savings and Investment Mutual has been entrusted to Savings and Investment Corporation through its representatives.

Savings and Investment Mutual is also a member of the Canadian Mutual Fund Association.

SAVINGS AND INVESTMENT TRUST COMPANY

Savings and Investment Trust Company has at your service various departments specialized in financial, estate, tax and legal matters.

This Company is authorized and organized to act in the capacity of trustee, executor or administrator of estates, manager of pension funds, investments and real property; it is also in a position to accept guaranteed deposits and securities for safekeeping, to draft or assist in the drafting of wills, to establish an estate program, etc.

The professional experience of its directors allied to the support of the officers and specialists of Savings and Investment Corporation enables the Company to give its patrons efficient and reliable service.

AETERNA LIFE

Aeterna Life is an Insurance Company recently affiliated with the Savings and Investment Group. It is in a position to handle all insurance plans issued by insurance companies: whole life, term insurance, endowments, life annuities, etc. The Company has offices in the main cities of the Province of Quebec, where its specialists in matters of insurance are at the disposal of the public at large to discuss the requirements concerning protection for themselves, for their families, or their property.



HEAD OFFICE: 850 d'Youville Square — Quebec

